

May 29, 2007

The Honorable Michael Mauro  
Secretary of State  
State Capitol Building  
L O C A L

Dear Mr. Secretary:

House File 783 is a bill written to make a number of changes to Iowa Code section 384.84 that this Administration fully supports. For example, if enacted into law, the bill would clarify the status of potential liens on real property arising from unpaid bills and charges assessed for providing non-electric city services for residential properties.

However, the bill creates a new subsection 384.84(2)(e), which, if enacted, would allow the governing body of a city utility, combined utility system, city enterprise, or combined city enterprise to impose a new deposit fee upon residential rental tenants up to the usual cost of ninety days of sanitary sewer, storm water drainage, sewage treatment, solid waste collection and / or solid waste services. The bill makes no instruction as to what party—the service provider who has received the deposit, or the residential rental tenant who has paid the deposit—is entitled to keep the interest accruing on the deposited amount.

The Culver-Judge Administration is committed to what we have called “One Iowa.” By that, we mean that our laws and policies shall be inclusive and shall not bar any citizens who are willing to work hard and play by the rules from our most basic services or opportunities. A special concern of ours is that government not act to impose or to increase economic burdens upon, or barriers before, our lower income citizens, a disproportionate share of whom comprise the residential rental community.

Persons seeking to rent apartments in Iowa already face a number of potential economic challenges unique to rental property. Rental real estate is subject to nearly twice the burden of real estate taxes than are owner-occupied residential properties. The Iowa Uniform Residential Landlord and Tenant Law, Iowa Code section 562A.12, allows a landlord to demand as a security deposit an amount or value of up to two months’ rent. Already, under Iowa Code section 384.84(3)(d),

a city utility or enterprise may require a deposit not exceeding the usual cost of ninety days of water service to be paid to the utility or enterprise. This bill, if enacted into law, would increase that potential burden upon at least some citizens seeking the shelter of a rented residential housing. A citizen unable to come up with a ninety-day deposit can be denied completely access to these essential services.

The concern felt by this Administration as to the potential adverse and regressive effects that this well-intended legislation could have on an undeniably vulnerable segment of our citizens outweighs the significant merits that this bill would otherwise clearly offer. Insofar as this is not an appropriation bill, Iowa law does not permit the Governor to item veto only those provisions with which the Administration takes exception.

Therefore, because I am convinced that House File 783, an Act relating to certain city utilities or city enterprises by making changes to procedures for notice and collection of delinquent charges and by making changes to billing notifications for water service and other services provided to certain residential rental property, could potentially burden citizens and / or deprive them of access to essential municipal services, I hereby disapprove and transmit to you that bill, without my signature, in accordance with Article III, Section 16, of the Constitution of the State of Iowa.

Sincerely,

Chester J. Culver  
Governor

CJC:jcl